

Witness Name: Lee Castleton
Statement No.: WITN0373_01
Exhibits: None
Dated: 13th May 2022

**WITNESS STATEMENT OF LEE CASTLETON
IMPACT**

I, LEE CASTLETON of
WILL SAY:

GRO

1. On 18 July 2003 my wife Lisa and myself bought Marine Drive Post Office. We invested £85,000 from the sale of our home in acquiring the Post Office and the retail outlet. We purchased the Post Office and the retail business for £300,000 and the retail stock cost £35,000.
2. We sold our three-bedroom detached bungalow in a beautiful village called Kirby Misperton. We had no mortgage and I was working as a stockbroker in between home and Canary Wharf. I had served 9 years in the RAF and we were looking for a better work/life balance with our two small children.
3. We lived above the shop at the sea front in Bridlington. It seemed perfect.
4. We retained the Post Office clerk who had managed the Post Office counter for 16 years for the two previous owners.
5. Everything went really well. Balances were within pennies each Wednesday. We were increasing trade and doing really well, including increasing of the Post Office salary.
6. At the end of 2003 we had our first misbalance: £1,103.18.
7. We spent hours looking for the reason. In the end I made good the shortage with my own money from the retail shop front. At the time I didn't notice why this had occurred. The office declarations (made by me) were correct. But a very long time later I found the reason for this difference was the office declarations of stamps had been reduced to zero stock of stamps on the final balance sheet. This could not have been done in the office as the zero declaration had taken place seconds after the rollover.

8. The following week we had a £4,230 shortage. We again made a call to the Horizon helpline. But I explained I felt there was something wrong with either the equipment or the way we were balancing. I was not going to keep putting money in and wanted a site visit. We had had a number of odd happenings during the week. These included screen freezes, power loss on Node 2 and transactions disappearing from “the Stack”.
9. No matter how much I tried Post Office didn’t seem interested.
10. On the 2nd February 2004, Node 2 base unit failed completely and an engineer had to visit to examine the computer as it couldn’t be repaired.
11. For 12 weeks we didn’t balance. Sometimes up (too much money) mostly down.
12. My relationship with Cath Oglesby, my line manager, disintegrated. I wanted them to do something – anything. Cath wanted me to pay back the money.
13. I asked for an audit. I felt it would force them to do something. I had nothing to hide.
14. I kept waiting for them to say “oh, we have found it!”.
15. An audit took place on the 23rd March 2004. Two people arrived. One was Helen Rose.
16. I told her the reason for the audit and she confirmed the differences.
17. I had made 91 phone calls over the 12 weeks. I had asked for the audit.
18. But everyone seemed as though it was a shock!
19. Cath suspended me there and then. She rang a friend in Hull (Ruth Simpson of First Lane Post Office, Hessle, Hull). Cath told me that Ruth would come for a month and see what was causing the issue. Then we could sort it out and get on with our lives.
20. Ruth ran the office for a day and mis-balanced.
21. But it was run for further week by Ruth because I, at the time, did not know about the mis balance. Ruth had not said to me and when I realised it, it was in preparation to go to court. She denied the misbalance and it was ignored in court.
22. The first full week of trading by Ruth, again nothing was said as to problems but prior to opening on Thursday 1st April 2004 Ruth had both computers on but did not use them for the first 4 hours of the morning. Ruth told the court it was through choice. It caused lots of arguments and a great deal of upset.
23. The following week I was working in the back of the shop and singing along with a hymn on the radio. Ruth said, as she walked past me and into the Post Office “you will need all the help you can get”.

24. As you can imagine, it has hung around my neck from that day to this. Even now I feel physically sick by the memory.
25. Lisa and I were working through the day and working through paperwork by night into the small hours then back to do the paper deliveries at 05.30 am. We were determined to find out why.
26. It was impossible to reconstruct the accounts because not all the transactions are available in the office. I wanted those documents. I was confident I could find out what had happened if they could send me the transaction data.
27. That never happened. It was never to be shared. The documents sent as transaction data was actually filtered. I did not know that until I met Ron Warmington.
28. The pressure on my family was unbearable. Cath Oglesby wanted us to sell. She would try to pressure us to put the property for sale. I wanted the paperwork.
29. David Mellows-Facer from the Post Office would keep pushing and pushing for a sale.
30. Cath visited the ex-owner and asked if he wanted to take over the post office in my property, without my knowledge. This added to the local rumours. Bridlington is a small fishing town. People would stop both Lisa and I whilst out shopping or whatever. I have been asked some unbelievable questions. Including "do you think you will go to prison?" "Have you been to prison?" "How long will you go down for?" It was very difficult.
31. Family life was becoming more and more difficult.
32. Along with the questions there was the verbal abuse. It's difficult to comprehend why being shouted at "thieving bastard!" is acceptable being shouted at me outside our shop and home.
33. But Lisa, whilst serving in the shop, has had some terrible experiences. The rumours and of course the former owner now was telling people that money was missing and he had been offered the Post Office back. People were stopping coming in, or worse, were coming in and cancelling paper deliveries or such and telling Lisa why. Reasons being Lee is a thief.
34. A popular belief was that I had stolen "old peoples pensions".
35. We lived in the belief that we would find the fault and all would be OK.
36. Lisa was reduced to tears a lot. I had notice that she had started to withdraw.
37. Retail sale dropped significantly and we had lost the £45,000 salary from the office.
38. The bank withdrew our overdraft.

39. I went through the suspension and appeal process.
40. Lesley Joyce and then John Jones kept asking me “where is the money?”. I asked for the transaction details (audit trail) and said “I will show you”.
41. There were many arguments. All I wanted was the paperwork.
42. Post Office started to write serious debt recovery letters after my appeal failed. I had an insurance policy which I accessed for legal cover.
43. I wanted the audit trail.
44. Post Office put me in Scarborough County Court. They didn’t turn up and probably didn’t expect me to counterclaim. I was all but broke.
45. The court, in the Post Office’s absence awarded me my counterclaim.
46. They appealed and moved it to Leeds High Court and then to London. All the time the time the financial stress was breaking all that I loved around me. I felt such a fool to have put them in such danger because I had done nothing wrong. By now Lisa had started to have terrible sleep terrors.
47. Millie my daughter had become quiet and withdrawn.
48. Cameron my son would try to protect his mummy even though he was only eight.
49. The kids had to move schools and this had caused lots of problems. Millie withdrew even more and she was having problems on the bus to school and Cameron was getting into trouble for bad behaviour.
50. At the time we didn’t know, but Millie was being bullied. She had been spat at on the school bus in her hair (Millie has long curly hair). She had been assaulted in the school toilets. Cameron had been pushed from his bike by another boy and caused a terrible scrape to his head.
51. Lisa’s anxiety was increasing by the day. I just wanted to curl up and die.
52. If I was braver I would probably have taken my own life. Thankfully I know now I will never be that brave. I never realised how it could be so personal and engulfing before then – it consumed every aspect of my and my family’s life. But I had to fight them.
53. To give an idea of how overwhelming the Post Office became, we have a rule in my family made in December 2006. The rule is that the Post Office can be talked about but not on Christmas Day. We made that rule then. We now still follow it in my family on both sides.

54. In April 2005 I had been to the bank to pay-in takings from the shop. When I arrived home Lisa was crying and Barry and Dorothy Day, the temporary SPMs were very upset.
55. Angela Bettison from the Post Office had arrived after I had left that morning. She had demanded "all the office paperwork". They had argued and argued even calling our then solicitor. He explained to her that she could have a copy of anything but not the original. The argument got more and more heated. Angela told them she was taking everything from the office. The instruction from the solicitor was to call the police.
56. After more arguments Angela called her office and left.
57. This was the first day on which Lisa had a full seizure. The stress was extreme.
58. We finally had disclosure. Finally.
59. I took each weekly account of transaction data and there were small discrepancies.
60. I decided to have the first week reconstructed at the massive cost of £10,000.
61. Again, there were discrepancies but not significant. I couldn't understand it. Well not until Ron Warmington explained what had been disclosed was actually not the metadata that I needed but just a spreadsheet listing transactions forming the account. Sadly, I only found this out as part of the mediation scheme in 2013.
62. I used the reconstructed accounts to cross reference sales times and dates. I found thousands of pounds of transactions that were placed at times and dates when that person wasn't even logged on to the system, but the Post Office kept saying no one else had access to my account. I now know this was not true.
63. I was now having problems with my blood pressure. I felt like I could burst. I had started to black-out. The blood pressure on my vagus nerve was stopping my body and causing me to black-out.
64. I had no money, but it was time to go to court. By this time I had spent about £80,000 on legal costs. I had re-mortgaged our home to raise £45,000 to pay legal costs. But it wasn't enough to pay my solicitors for my trial. I had no legal representation, the legal expenses insurance had run out (they paid out about £50,000 including VAT).
65. I was going no matter what.
66. I arrived with my father-in-law, Alan, to court on the Monday. I was determined but nervous.

67. The judge decided to start that Wednesday. Mr Richard Morgan, the barrister for the Post Office, told me that if I met him outside his chambers he would give me my court bundle.
68. When we arrived he pulled me aside and told me not to go on Wednesday. "You don't need to go. Let us finish this and make all go away then you can just get on with your lives". I told him I had done nothing wrong and I wanted answers. I couldn't just get on with my life.
69. Later that evening, Alan and I were in the lobby of our hotel checking-in. Alan's mobile phone rang. Alan put it on speaker so Stephen Dilley, the Post Office's solicitor could talk to me:
- "Lee you must understand you don't need to go on Wednesday we were surprised to see you today."
- The conversation went on as I explained I had to follow everything through as I had taken no money.
- "But Lee, we are the Post Office, we will ruin you."
70. I repeated that I would be there. "Lee just listen, we will ruin you. Think of your family."
71. Obviously we lost the case. During the case Mr Morgan said that I was "a thief". The judge told Mr Morgan that it was the wrong court to say that.
72. When I arrived home Millie told me about the terrible seizures Lisa had had over the week. We decided if it continued to seek medical help.
73. Judge Havery ordered that I pay £50,000 into the court in order to appeal. The Post Office in 2007 was awarded £321,000 costs. That resulted in my bankruptcy. I still have a trustee in bankruptcy.
74. I had to declare bankruptcy due to the costs.
75. I know as a fact that for example in 2008 the Post Office relied upon the civil judgment against me in telling others that the law was that the burden was upon a postmaster to show why their Horizon accounts were wrong. I now understand that this is incorrect.
76. The shop was really struggling and I started to look for work. I would go for interviews for financial services roles and I would be told but for the bankruptcy I would be perfect for the role.

77. Rejection after rejection and the shop struggling I had to find work so I renewed my electrical qualifications from the RAF. This meant that to find well paid work I had to work away from home on short-term contracts.
78. I worked on building contracts all around the country. Often I would live in my car for weeks on end to try to keep costs down.
79. Millie would sleep with her mum to keep her safe. I wouldn't see my family for what seemed extended periods.
80. Lisa was trying to hold the fort. Millie was becoming more and more withdrawn.
81. Our boiler broke in 2008. Money was so tight it took two years to save to get a new one fitted.
82. I hadn't realised in all the difficulties Lisa had been selling off her jewellery to make ends meet. Everything had gone.
83. Millie was such a worry. She was very quiet and she had lost a lot of weight. Lisa decided she wanted the doctor to look into what was going on.
84. I never realised the impact everything was having. Life was very strained.
85. Eventually Millie was diagnosed with Anorexia Nervosa. It had really taken hold. Our daughter was disappearing right in front of our eyes. No matter what we said or did, we couldn't shake her.
86. I have felt powerless but never had I felt this low. Our lives are centred on our children. Millie's BMI dropped and dropped. She would pass-out regularly, then be admitted to hospital, then be released.
87. We went round and round in this cycle. Millie was starving to death and there was nothing I or we could do about it.
88. I have begged, argued, shouted, cried and even hit myself in front of Millie to try to change her actions, trying to show her the pain and suffering her actions were having on her and the family. Explaining and begging to her that I couldn't live without my daughter surviving this terrible illness.
89. I cannot explain the relief when Millie was given no option but to accept a place at Evolve, a clinic in Hull.
90. Millie had been living in halls at university and coming home at weekends.
91. Evolve gave her the clarity to finally break the circle and take control.

92. Millie eventually told us that whilst at school she had been relentlessly bullied by a group of girls, including being assaulted.
93. I have no words for the utter despair that I have in the abject failure of protecting her. I had failed her.
94. We had been £30,000 in arrears with our mortgage. We closed the shop and Lisa had been diagnosed with epilepsy. Lisa began to work for her parents. They would look after her while she was working.
95. Thankfully medication has stopped Lisa's seizures.
96. In 2021 we sold Marine Drive and cleared the mortgage.
97. Having owned our home prior to this, we now live in a rented house in a different town.
98. I was a claimant in the group civil litigation that came to an end in 2019.
99. I was awarded £28,500 compensation.
100. It was not until June 2020 that I was for the first time provided with a copy of the settlement deed with the Post Office.
101. This was because Freeths started to tell me about the terms of my case that were in the settlement. I had not seen the settlement agreement at the end of May 2020. Although I had asked to see it I was told by James Hartley of Freeths that I was not able to see the terms of settlement because these were confidential.
102. Eventually, after I was able to get some voluntary legal assistance from Paul Marshall, I was provided with a copy of the settlement deed. Shortly after this the Post Office put the settlement on its website.
103. Because it appeared from Mr Justice Fraser's judgment that the Post Office had given incomplete evidence that he considered may have been misleading, I thought I might possibly have a claim for malicious prosecution. I knew that postmasters who had had criminal convictions had claims for malicious prosecution.
104. I was told initially by Freeths that I did not have a claim for malicious prosecution because mine was a civil claim. Later I was told that my claim for malicious prosecution had to be given up under the terms of the settlement.
105. I was very disappointed to hear this. I believe that the Post Office and Fujitsu - it was Anne Chambers who gave misleading evidence - knew at the time of my trial in 2006 that there were problems with Horizon.

106. The Post Office's evidence at my trial in 2006 was that I was the only one who had access to my Horizon account. That was untrue.
107. My life has been ruined, my family's life was almost destroyed, my wife has suffered devastating and life-changing illness and my daughter almost died.
108. Mr Dilley was correct when he said that the Post Office would ruin me. It has.
109. I have received £28,500 compensation. I cannot see after all that I and my family have suffered how this can be right.
110. There is still a civil judgment against me and I still have a trustee in bankruptcy.



GRO

LEE CASTLETON

Dated: 13th May 2022